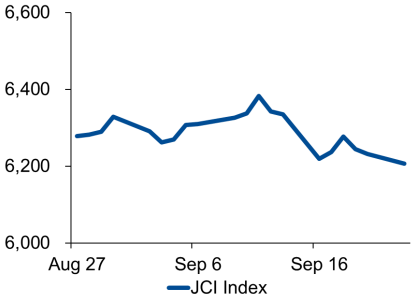
Morning Brief

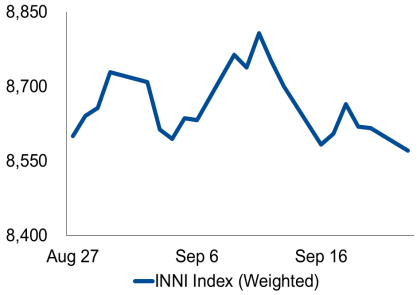
NH KORINDO SEKURITAS

Daily | September 24 2019

JCI Movement



INNI Movement



Market Recap

JCI closed lower as the consumer goods weakened. **JCI's Top Losers: Basic Ind. (-1.7%), Property (-1.7%), Manufacture (-0.6%).**

Like JCI, INNI index dropped, subdued by constructions stocks, i.e. WIKA, WSKT, and PTPP.

Daily Foreign & Domestic Sector Movement

JCI still saw foreign outflows of IDR269 billion, with the largest amount of IDR126 pulled out from the banking sector. Most of Asia markets were sluggish as markets retained wait-and-see stance, anticipating the US-China trade relation after Chinese officials delayed a visit to farms in Montana. On Monday's trading sessions, GGRM still posted foreign outflows of IDR44 billion, underlined by the hike of 23% in cigarette excise tax.

Additionally, the rupiah exchange rate against the US dollar was depreciated by 0.21% to 14,085

Today's Outlook: Eurozone Manufacturing PMI Weakens

The Dow Jones nudged up 0.06% to 26,949 as Netflix posted a 1.78% decline, subdued by intense competition and rising content expenses. In addition, Eurozone Manufacturing PMI dropped 1.5 points to 50.4 in September, reflecting the slowdown in Eurozone economies. The global crude oil dipped as markets retained wait-and-see amid the restoration of crude production by Saudi Arabia after the attacks.

Company News

JPFA : Is Endorsed by the Ministry of Agriculture
ASII : Its Subsidiary Expands Toll Ownership
TLKM : Telkomsel Completes 85% of BTS Target
INCO : Obtains Approval for Divestment

Domestic & Global News

Infrastructure Development Is A booster for Economic Growth
US Manufacturing Sector Activity Hits 5-Month High in September

Indonesia Economic Data

Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	5.25%	5.50%	Real GDP	5.05%	5.07%
FX Reserve (USD bn)	126.40	125.90	Current Acc (USD bn)	(8.40)	(6.97)
Trd Balance (USD bn)	0.09	(0.06)	Govt. Spending Yoy	8.23%	5.21%
Exports Yoy	-9.99%	-5.12%	FDI (USD bn)	5.78	6.04
Imports Yoy	-15.60%	-15.21%	Business Confidence	108.05	108.05
Inflation Yoy	3.49%	3.32%	Cons. Confidence*	124.80	128.10

JCI Index

Sept. 23	6,206.19
Chg.	-25.27pts (-0.41%)
Volume (bn shares)	150.21
Value (IDR tn)	7.89

Adv 128 Dec 280 Unc 250 Untr 105

INNI Index

Last	8,570.90
Chg.	-45.18pts (-0.52%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
UNVR	2.5%	JPFA	-4.4%
MAPI	2.0%	WIKA	-4.4%
MIKA	0.8%	WSKT	-3.9%
ASII	0.8%	CTRA	-3.6%
BBCA	0.6%	PTPP	-3.4%

Foreign Transaction (IDR bn)

Buy	1,877
Sell	2,146
Net Buy (Sell)	269

Top Buy	NB Val.	Top Sell	NS Val.
PGAS	53.4	INTP	96.7
MDKA	51.7	BBNI	44.8
WOOD	33.9	GGRM	44.4
BMRI	24.4	TLKM	41.3
KLBF	10.6	WSKT	37.2

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.26%	0.02%
USDIDR	14,087	0.23%
KRWIDR	11.76	-0.59%

Global Indexes

Index	Last	Chg.	%
Dow Jones	26,949.99	14.92	0.06%
S&P 500	2,991.78	(0.29)	-0.01%
FTSE 100	7,326.08	(18.84)	-0.26%
DAX	12,342.33	(125.68)	-1.01%
Nikkei	22,079.09	34.64	0.16%
Hang Seng	26,222.40	(213.27)	-0.81%
Shanghai	2,977.08	(29.37)	-0.98%
KOSPI	2,091.70	0.18	0.01%
EIDO	25.05	0.15	0.60%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,522.2	5.3	0.35%
Crude Oil (USD /bbl)	58.64	0.55	0.95%
Coal Newcas(USD/ton)	70.70	(1.10)	-1.53%
Nickel LME (USD /MT)	17,470	15.0	0.09%
Tin LME (USD /MT)	16,530	(195.0)	-1.17%
CPO (MYR/Ton)	2,189	(36.0)	-1.62%

Company News

JPFA : Is Endorsed by the Ministry of Agriculture
PT Japfa Comfeed Indonesia Tbk (JPFA) re-exports 6 tons of frozen chicken meat to Timor Leste. The Ministry of Agriculture endorses the exports so that JPFA is likely to export value-added powder and liquid eggs. The exports reduce chicken oversupply in the market as JAPFA's current chicken exports grow by 28% y-y. (Kontan)

TLKM : Telkomsel Completes 85% of BTS Target
PT Telekomunikasi Indonesia Tbk (TLKM) thorough its subsidiary, Telkomsel, until Aug. 31st built 17,000 base transceiver station (BTS) out of 20,000 BTS targeted to be completed in September 2019. Thus, it expects that 93% of the Indonesian population across Indonesia can use its 4G service. (Kontan)

ASII : Its Subsidiary Expands Toll Ownership
PT Astra International Tbk (ASII) through its subsidiary, Astra Infra, plans to expand its stock ownership over Cipali toll road by signing a Conditional Sales Purchase Agreement (CSPA). Astra Infra will firstly exercise 55% stocks of Plus International Behard currently owning 45% of Cipali's stock ownership. The corporate action is estimated to be worth of USD500 million and will heighten Astra Infra's contribution to ASII. (Kontan)

INCO : Obtains Approval for Divestment
PT Vale Indonesia Tbk (INCO) obtains approval from Joko Widodo for 20% stock divestment to be actualized in near time. But, INCO cannot ensure that the divestment will be absorbed by the state-owned enterprises (SOEs) because it is still awaiting the divestment approval from the government. Of note, the Government Regulation Number 1 Year of 2017 states that Foreign Investment Companies shall perform 51% divestment within 5-year production. (Investor Daily)

Domestic & Global News

Infrastructure Development Is A booster for Economic Growth
The Ministry of Finance (Kemenkeu) is optimistic that infrastructure development is a boost for economic growth. The Finance Minister Sri Mulyani Indrawati said that the signing of three agreements of Semarang-Demak toll road development is one of infrastructure booster for economic growth. The Semarang-Demak Toll Road is a continuation of the Trans Java toll road. (Kontan)

US Manufacturing Sector Activity Hits 5-Month High in September
The U.S. manufacturing sector recovered in September with activity growth hitting a five-month high, according to IHS Markit.The initial reading of U.S. manufacturing Purchasing Managers' Index for September reached 51.0, the highest figure since April and up from 50.3 in August. Readings above 50 show an expansion.Conditions can change between now and the final reading from Markit for September, which will be out Oct. 1. (CNBC)

INNI Component

	Last Price	End of Last Year Price	Target Price*	Rating	Upside Potential (%)	1 Year Change (%)	Market Cap (IDR tn)	Price / EPS (TTM)	Price / BVPS	Return on Equity (%)	Dividend Yield TTM (%)	Sales Growth *Yoy* (%)	EPS Growth *Yoy* (%)	Adjusted Beta
Finance						18.2	2,364.8							
BBCA	30,125	26,000	32,000	Hold	6.2	25.9	735.3	27.2x	4.7x	18.4	1.1	16.8	12.7	1.0
BBRI	4,180	3,660	4,950	Buy	18.4	38.9	515.6	15.2x	2.7x	19.0	3.2	12.5	8.5	1.4
BMRI	7,000	7,375	8,000	Hold	14.3	3.7	326.7	12.4x	1.8x	15.0	3.4	9.1	11.1	1.4
Consumer						(9.6)	1,261.0							
GGRM	52,800	83,625	110,000	Buy	108.3	(27.5)	101.6	11.9x	2.3x	20.0	4.9	16.4	20.5	1.0
UNVR	47,300	45,400	59,000	Buy	24.7	0.5	360.9	38.9x	71.1x	183.9	2.5	1.3	5.2	1.0
ICBP	11,875	10,450	11,800	Hold	(0.6)	34.9	138.5	28.5x	6.1x	22.9	1.6	13.7	12.8	0.7
INDF	7,650	7,450	8,700	Hold	13.7	28.0	67.2	14.1x	1.9x	14.4	3.1	7.2	30.0	1.2
KAEF	2,940	2,600	4,100	Buy	39.5	20.5	16.3	47.8x	7.2x	16.6	0.5	#N/A N/A	N/A	1.0
KLBF	1,665	1,520	1,870	Hold	12.3	29.1	78.0	31.2x	5.3x	17.9	1.6	7.7	3.5	1.3
Infrastructure						20.8	850.30							
TLKM	4,250	3,698	4,350	Hold	2.4	21.8	421.0	20.6x	4.5x	22.8	3.9	7.7	27.4	0.9
JSMR	5,550	4,280	6,000	Hold	8.1	27.3	40.3	18.2x	2.3x	13.3	0.8	(25.9)	1.4	1.1
Trade						(3.0)	713.4							
UNTR	22,100	27,350	35,000	Buy	58.4	(31.9)	82.4	7.3x	1.5x	21.6	5.4	11.2	1.8	1.0
SILO	7,075	3,590	7,230	Hold	2.2	139.0	11.5	249.3x	1.8x	0.7	N/A	18.5	N/A	0.8
MIKA	2,450	1,575	2,300	Hold	(6.1)	35.4	35.6	53.8x	8.3x	16.3	0.7	#N/A N/A	13.6	0.5
LPPF	3,120	5,600	5,500	Buy	76.3	(53.3)	8.8	9.7x	4.8x	45.2	10.7	0.6	(11.5)	0.8
RALS	1,215	1,420	2,050	Buy	68.7	(9.0)	8.6	11.9x	2.0x	17.7	4.1	(0.2)	21.1	0.7
MAPI	1,020	805	1,300	Buy	27.5	25.9	16.9	22.8x	2.9x	14.5	1.0	10.2	25.0	0.8
Property						17.1	459.4							
PWON	675	620	725	Hold	7.4	33.7	32.5	11.7x	2.4x	22.4	1.0	3.8	20.9	1.3
CTRA	1,085	1,010	1,080	Hold	(0.5)	42.8	20.1	15.5x	1.4x	9.4	0.9	12.1	74.3	1.7
PTPP	1,725	1,805	2,450	Buy	42.0	12.4	10.7	7.7x	0.8x	11.3	2.8	12.8	(23.4)	1.6
WSKT	1,585	1,680	2,600	Buy	64.0	(8.4)	21.5	10.9x	1.2x	11.3	4.6	(35.4)	(66.8)	1.5
WIKA	1,950	1,655	2,500	Buy	28.2	41.8	17.5	8.3x	1.1x	14.9	2.0	#N/A N/A	72.2	1.4
Basic Ind.						6.6	684.4							
JPFA	1,515	2,150	1,940	Buy	28.1	(26.1)	17.8	9.4x	1.8x	20.2	6.6	9.2	(26.8)	1.1
SMGR	12,500	11,500	13,600	Hold	8.8	37.0	74.1	28.6x	2.4x	8.7	1.7	#N/A N/A	(50.0)	1.4
INTP	20,600	18,450	19,000	Hold	(7.8)	24.8	75.8	53.0x	3.5x	6.5	2.7	7.7	80.2	1.5
Misc Ind.						(3.7)	349.8							
ASII	6,625	8,225	8,600	Buy	29.8	(7.0)	268.2	12.7x	1.9x	15.8	3.2	3.2	(5.8)	1.2
Mining						(13.9)	383.7							
ADRO	1,370	1,215	1,750	Buy	27.7	(24.7)	43.8	6.0x	0.8x	14.2	6.6	10.2	51.9	1.3
PTBA	2,400	4,300	5,100	Buy	112.5	(41.7)	27.6	5.8x	1.7x	29.7	14.2	1.2	(25.8)	1.2
INCO	3,820	3,260	4,400	Buy	15.2	6.4	38.0	514.1x	1.5x	0.3	N/A	(22.0)	N/A	1.6
ANTM	1,055	765	1,200	Hold	13.7	31.9	25.4	31.7x	1.3x	4.1	1.2	8.5	(30.1)	1.5

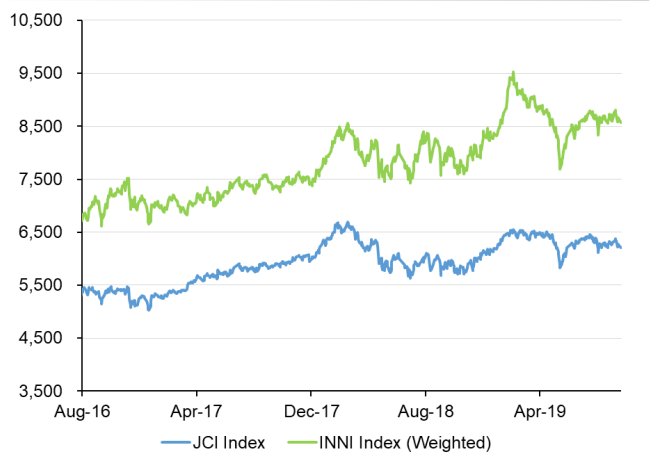
*** Target Price for December 2019**

Source: Bloomberg, NHKS Research

INNI Summary

INNI Index Movement	
YTD Change	18.0%
YTD Change Gap (vs JCI)	17.8%
Weekly Change	-0.1%
Weekly Change Gap (vs JCI)	0.1%
INNI Market Capitalization	
Market Cap (IDR tn)	3,464
Market Cap (%)	47.27

INNI Index



Source: Bloomberg, NHKS Research

Global Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Tuesday	GER	15:00	IFO Business Climate	Sep		94.5	94.3
24- Sep	JPN	07:30	Jibun Bank Japan PMI Mfg	Oct			49.3
	USA	21:00	Conf. Board Consumer Confidence	Sep		133	135.1
Wednesday	USA	18:00	MBA Mortgage Applications	20-Sep		--	-0.10%
25 - Sep							
Thursday	USA	19:30	GDP Annualized QoQ	2Q T		2.00%	2.00%
26- Sep	USA	19:30	Initial Jobless Claims	21-Sep		211k	208k
Friday	JPN	06:30	Tokyo CPI Ex-Fresh Food YoY	Sep		0.60%	0.70%
27 - Sep	USA	19:30	Durable Goods Orders	Aug P		-1.20%	2.00%
	USA	21:00	U. of Mich. Sentiment	Sep F		92.1	92

Source: Bloomberg

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